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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

LEGALFORCE RAPC WORLDWIDE, P.C.

Plaintiff,

v.

LEGALFORCE, INC.,

Defendant.

CASE NO.: 3:22-cv-03724-TLT

**SPECIALLY APPEARING DEFENDANT'S  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF MOTION  
TO DISMISS THE SECOND AMENDED  
COMPLAINT**

Judge: Hon. Trina L. Thompson  
Crtrm.: 9  
Date: November 7, 2023  
Time: 2:00 PM  
Action Filed: June 24, 2022

**NOTICE OF MOTION AND MOTION TO DISMISS**

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on November 7, 2023 at 2:00 p.m. PT or as soon thereafter as the matter may be heard before Judge Thompson in Courtroom 9 of the above-entitled courthouse, located at 450 Golden Gate Avenue, San Francisco, California 94102, Specially Appearing Defendant, Kabushiki Kaisha LegalOn Technologies, formerly known as Kabushiki Kaisha LegalForce (“Defendant”)—appearing for the limited purpose of challenging subject matter jurisdiction, personal jurisdiction, and the sufficiency of the Second Amended Complaint—will and does hereby move the Court for dismissal of this action pursuant to Rules 12(b)(1), 12(b)(2), and 12(b)(6) of the Federal Rules of Civil Procedure (“Motion”).

This Motion is made on the grounds that this Court lacks subject matter jurisdiction over Counts 1, 2, and 4 because Defendant has never used the LEGALFORCE mark in commerce in the United States. With respect to all counts, this Court lacks both general and specific personal jurisdiction over Defendant because it is not a citizen or resident of the State of California and does not have sufficient contacts in California. There are no facts to establish the requisite minimum contacts with California. Finally, absent any trademark use in the United States, Plaintiff failed to plausibly plead Counts 1, 2, and 4. It also failed to adequately plead Count 3 because Defendant has no bad faith intent to profit from the marks it rightfully owns in Japan. Given the Court’s recent Order of April 12, 2023, ECF No. 92, Plaintiff’s Second Amended Complaint, ECF No. 93, should be dismissed with prejudice. This Motion is made and based upon this Notice; the authorities cited in the accompanying Memorandum of Points and Authorities; the supporting Declaration of David A. Makman and its accompanying exhibits; all other papers and pleadings on file; and such additional arguments and evidence as may be presented to the Court at or before a hearing on this Motion.

1 Dated: May 16, 2023

Respectfully submitted,

2  
3 By: David Alan Makman

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## 1 I. INTRODUCTION

2 Specially Appearing Defendant, Kabushiki Kaisha LegalOn Technologies, sued under the  
 3 name LegalForce, Inc. (“Defendant”), respectfully submits that, because the Court dismissed this case  
 4 on ripeness grounds, Plaintiff failed to establish a “case or controversy” and thus is not entitled to  
 5 amend under Ninth Circuit case law discussed below. Accordingly, the Court should vacate the  
 6 portion of its order that gave leave to amend. That said, out of an abundance of caution, in case the  
 7 Court finds that leave to amend was appropriate, Defendant notes that the Second Amended Complaint  
 8 (ECF No. 93, the “SAC”)—Plaintiff LegalForce RAPC Worldwide, P.C.’s (“Plaintiff”) third attempt  
 9 to plead a ripe and plausible case—is just as defective as all the prior Complaints. Plaintiff has fixed  
 10 none of the defects identified in the Court’s recent order of dismissal on April 12, 2023 (“Order”). *See*  
 11 ECF No. 92. Instead, it introduces new flaws. Accordingly, the SAC should be dismissed *with*  
 12 *prejudice*.

13 Plaintiff cannot plead a ripe case or plausible case because Defendant is a foreign entity that  
 14 has never used or advertised the LEGALFORCE mark on goods or services that are for sale in the  
 15 United States, nor has Defendant provided services in commerce in the United States using that mark.  
 16 To the contrary, Defendant, which legally owns the trademark “LEGALFORCE” in Japan, has formed  
 17 a subsidiary in the United States called LegalOn to do business here and has changed its own name to  
 18 LegalOn as well. The subsidiary sells an Americanized version of Defendant’s products. The original  
 19 products, called LegalForce and LegalForce Cabinet, are only available for purchase in Japan.  
 20 Defendant’s subsidiary does not use the term LEGALFORCE when selling in the United States.<sup>1</sup>

21 On April 12, 2023, this Court dismissed Plaintiff’s First Amended Complaint (the “FAC”) in  
 22 its entirety, ruling that: (1) Plaintiff’s trademark and cybersquatting claims were not ripe; (2) Plaintiff  
 23 had failed to establish subject matter jurisdiction; (3) Plaintiff failed to establish general jurisdiction;  
 24

---

25 <sup>1</sup>Defendant denies that Plaintiff’s LEGALFORCE marks are famous and denies that it would  
 26 obtain any commercial benefit from being associated with Plaintiff in any way. However, the  
 27 LEGALON mark cannot, as a matter of law, infringe Plaintiff’s marks because the only similarity is  
 28 the generic term “LEGAL.” Plaintiff has, nevertheless, sued LegalOn US in a related lawsuit that is  
 pending before this same Court.

1 and (4) Plaintiff failed to establish specific jurisdiction. The Court also put Plaintiff on notice that  
2 failure to properly plead his case would result in dismissal with prejudice this time.

3 Despite a third chance and despite clear guidance on the test necessary for this Court to have  
4 jurisdiction, Plaintiff has not fixed his SAC. In its Order, the Court ruled that to establish a ripe claim:

5 Plaintiff must show that Defendant used Plaintiff's trademarks "in connection with a  
6 sale of goods or services." *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677 (9th  
7 Cir. 2005). A mark is used in commerce "on services when it is used or displayed in  
the sale or advertising of services **and** the services are rendered in commerce." 15  
U.S.C. § 1127.

8 ECF No. 92 at 4 (emphasis added). Plaintiff can never meet this test because, as is clear from the  
9 record evidence, Defendant is not using the LEGALFORCE mark "in commerce," *i.e.*, neither on  
10 goods or services that are for sale in the United States nor in connection with services rendered in  
11 commerce in the United States. After extensive opportunity for jurisdictional discovery, Plaintiff has  
12 no evidence—and therefore does not properly allege—that Defendant has ever rendered services in  
13 the United States using the LEGALFORCE mark. Rather, Plaintiff pleads the critical use "in  
14 commerce" in the United States allegations "on information and belief." Defendant asks the Court to  
15 rule that such pleading is not sufficient to overcome Defendant's factual challenges under the case law  
16 cited in the Order.

17 In sum, the SAC is not sufficient to avoid dismissal with prejudice. To the contrary, the SAC  
18 further shows how far Plaintiff is willing to go to press baseless and vexatious claims.

## 19 **II. THIS COMPLAINT CANNOT BE CURED BY AMENDMENT**

20 This Court dismissed the FAC on the grounds that the claims were not ripe. Ripeness is an  
21 issue of Article III standing and is jurisdictional. *Colwell v. HHS*, 558 F.3d 1112 (9th Cir. 2009). As  
22 such, if a claim is not ripe, there is no "case or controversy" and, therefore, the Court lacks subject  
23 matter jurisdiction. Where, as here, "jurisdiction is lacking at the outset, [a] district court has no power  
24 to do anything with the case except dismiss." *Morongo Band of Mission Indians v. Cal. State Bd. of*  
25 *Equalization*, 858 F.2d 1376, 1380 (9th Cir. 1988) (internal quotations and citations omitted).  
26 Moreover, "[i]f jurisdiction was lacking, then [a] court's various orders, including that granting leave  
27 to amend the complaint, were nullities." *Id.* at 1381. Thus, although the Court granted leave to amend  
28



1 the complaint, that procedure is not permissible here under long-standing binding Ninth Circuit  
2 precedent.

3 That said, in the years since the *Morongo* decision, the Ninth Circuit has created a narrow  
4 exception pursuant to Fed. R. Civ. P. 15(d) by which amendment would be permissible. *See, Northstar*  
5 *Fin. Advisors, Inc. v. Schwab Investors*, 779 F.3d 1036 (9th Cir. 2015). Thus, if the Court granted  
6 leave to amend pursuant to Rule 15(a), then any leave to amend would be null and void, but if pursuant  
7 to Rule 15(d), then the Order may fit into the narrow exception of *Northstar*. Plaintiff did not ask for  
8 leave to amend under 15(d), and the amendments do not identify acts that occurred after the original  
9 Complaint in this action was filed, so it does not appear that the amendment was made pursuant to  
10 Rule 15(d). Moreover, although the Court's Order does not state which rule was the basis for leave to  
11 amend, the Court did indicate that amendment was being permitted to allow Plaintiff to present the  
12 results of "jurisdictional discovery", which is not a basis for supplementation under Rule 15(d).

13 Defendant therefore submits that the Court should dismiss the Second Amended Complaint  
14 and vacate the portion of its Order that granted leave to amend. That said, out of an abundance of  
15 caution, Defendant will and, without waiving any standing or jurisdictional arguments—all of which  
16 are fully preserved here and for the purposes of appeal—hereby does move to dismiss on the additional  
17 grounds discussed below.

### 18 **III. FACTUAL BACKGROUND**

#### 19 **A. The Court Dismisses the FAC in Its Entirety**

20 On June 24, 2022, Plaintiff filed suit against Defendant for: (1) trademark infringement  
21 pursuant to 15 U.S.C. § 1114(a); (2) trademark infringement under 15 U.S.C. § 1125(a); (3)  
22 cyberpiracy pursuant to 15 U.S.C. § 1125(d)(1)(A); and (4) trademark infringement pursuant to  
23 California Common Law. ECF No. 1.

24 After Defendant filed a motion to dismiss the original Complaint on October 22, 2023, ECF  
25 No. 22, Plaintiff responded by filing its FAC on October 23, 2023, ECF No. 32. Then, on November  
26 7, 2022, Defendant filed a motion to dismiss the FAC for: (1) lack of subject matter jurisdiction  
27 pursuant to Federal Rule of Civil Procedure 12(b)(1); (2) lack of personal jurisdiction pursuant to Rule  
28 12(b)(2); and (3) failure to state a claim pursuant to Rule 12(b)(6). ECF No. 39.

1 While the motion to dismiss the FAC was pending, the Parties stipulated to engage in limited  
 2 discovery on jurisdictional grounds only, in accordance with the Court's instruction. ECF No. 84-1.  
 3 Thereafter, Plaintiff took depositions of Defendant's two senior executives including Nozomu  
 4 Tsunoda (President and Representative Director) and Jean-Pierre Biard (Head of Global Strategy) on  
 5 January 25 and January 26, 2023, respectively. The topic for the two Defendant executives' notices  
 6 was the same: "Any and all jurisdictional issues that have been asserted in this case by Defendant,  
 7 including any statements made in any Declarations attached thereto."). Makman Decl. ¶ 4.<sup>2</sup> Messrs.  
 8 Tsunoda and Biard were put forth in their personal capacity as witnesses, not Rule 30(b)(6) witnesses.<sup>3</sup>  
 9 Makman Decl. Ex. 1, Tsunoda Dep. Tr.: 6:24-25; Makman Decl. Ex. 2, Biard Dep. Tr. 7:7-10.<sup>4</sup> Prior  
 10 to his deposition, Mr. Tsunoda had submitted a Declaration in this action.

11 On April 12, 2023, the Court dismissed the FAC in its entirety because: (1) Plaintiff's  
 12 infringement claims were not ripe; (2) Plaintiff failed to establish subject matter jurisdiction; (3)  
 13 Plaintiff failed to establish general jurisdiction; and (4) Plaintiff failed to establish specific jurisdiction.  
 14 ECF No. 92. Because Defendant's motion, however, was filed while the Parties were engaged in  
 15 jurisdictional discovery, the Court granted Plaintiff leave to amend and informed him that the case  
 16 would be dismissed with prejudice if he failed to overcome the FAC's numerous deficiencies. *Id.* On  
 17 April 25, 2023, Plaintiff filed the SAC. ECF No. 93. This Motion to Dismiss follows.

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23 <sup>2</sup>"Makman Decl." refers to the Declaration of David A. Makman submitted in support of this  
 24 motion to dismiss. "Markman Decl. Ex." refers to the specific Exhibit attached thereto.

25 <sup>3</sup>In the SAC, Plaintiff incorrectly characterizes Messrs. Tsunoda's and Biard's deposition  
 26 testimony as if they were testifying as Defendant's corporate representative. *See, e.g.,* SAC ¶ 75-7  
 ("it has admitted in *its* January 2023 depositions") (emphasis added).

27 <sup>4</sup>The deposition transcripts have been designated "Confidential" because the Parties have not  
 28 stipulated to a protective order in this action. By citing portions of the transcripts, Defendant does not  
 "Confidentiality" designation as to portions not cited herein and reserves its right to seek continued  
 confidential treatment of these transcripts pending entry of a protective order. Makman Decl. ¶ 7.

**B. Months of Jurisdictional Discovery Yields No Facts to Support Jurisdiction Over Defendant**

Despite the ample opportunities afforded to and used by Plaintiff to discover non-privileged information limited to jurisdiction, the factual record does not support any ripe claims against Defendant.

Plaintiff has not proffered any facts to contradict Mr. Tsunoda's November 7, 2022 declaration submitted with Defendant's Motion to Dismiss the SAC ("Tsunoda Decl."), *see* Makman Decl. Ex. 3, or the other discovery produced in this case. Tsunoda declared that Defendant is a Japanese corporation organized under the laws of Japan and is headquartered and has a principal place of business in Tokyo, Japan. *id.*, Tsunoda Decl. ¶ 3. Defendant has no physical presence in California or the United States. *id.* ¶ 19; *see also id.* ¶ 11 (not incorporated in California or the United States; nor is it qualified to do business in California or the United States); *id.* ¶ 12 (no branch offices or comparable facilities in California or the United States and has no telephone listing or mailing address in California or the United States); *id.* ¶ 13 (no registered agent for service in California or elsewhere in the United States); *id.* ¶ 18 (no bank accounts or other tangible personal or real property in California, or the United States).

Further, Defendant does not recruit or hire employees in California or the United States. *id.* ¶¶ 14, 15, 17; *see also* Makman Decl. Ex. 2, Biard Dep. Tr. 121:9-15 (testifying that the LegalForce name was not used in advertising employment opportunities in the United States). It also has no officers or directors residing or domiciled in California or the United States. Makman Decl. Ex. 3, Tsunoda Decl. ¶ 16.

Defendant has not sought to use the name LEGALFORCE in commerce in the United States within the meaning of the Lanham Act. *id.* ¶¶ 21-22; *see also* Makman Decl. Ex. 2, Biard Dep. Tr. 92:13-25 (testifying that the names LegalForce and LegalForce Cabinet were never used in the United States); Ex. 1, Tsunoda Dep. Tr. 67:4-6 (responding "No" when asked if Defendant ever wanted to

1 use the name “LegalForce” in the United States). Nor does Defendant have any plans to imminently  
 2 offer, sell, transport, distribute, market, or advertise any products or services bearing the  
 3 LEGALFORCE mark in the United States. Makman Decl. Ex. 3, Tsunoda Decl. ¶¶ 21, 64; *see also*  
 4 Ex. 2, Biard Dep. Tr. 132:19-133:2 (testifying that “I can state that the Japanese company never said  
 5 or intended to enter the U.S. under the LegalForce name”). Defendant’s website is available in  
 6 Japanese and English and loads by default in Japanese. *id.* ¶ 26. The English language version of  
 7 Defendant’s website is not directed or aimed at California or United States residents. *id.* ¶ 27. Rather,  
 8 it is aimed at English speaking customers in Japan, as is apparent by the images containing Japanese  
 9 characters, relating specifically to Japanese contracts, and using interfaces most familiar to Japanese  
 10 customers. *id.* ¶¶ 28-29.<sup>5</sup>

12 Defendant has no clients in California or the United States. *id.* ¶ 30. It has not entered any  
 13 contracts for rendering services in California or the United States. *id.* ¶¶ 31-32. Defendant does not  
 14 direct any of its advertising specifically toward California or United States residents, nor does it  
 15 advertise in any publications that are primarily directed at California or United States residents. *id.* ¶  
 16 33; Makman Decl. Ex. 2, Biard Dep. 121:3-8 (testifying that “LegalForce, the Japanese entity, never  
 17 advertised an expansion under the LegalForce name” into the United States).

19 Defendant’s website references third-party news websites that have recognized Defendant’s  
 20 success in the Japanese legal market. Makman Decl. Ex. 3, Tsunoda Decl. ¶ 57. Those articles relate  
 21 to a June 23, 2022 press conference held in Tokyo. *id.* ¶¶ 58-59. During the press conference,  
 22 Defendant gave precatory remarks about Defendant’s wish to expand its business internationally in  
 23 the future and spoke about the opportunities and pitfalls of expanding to countries like the United  
 24 States. *id.* ¶ 60. Defendant did not claim that it currently operated in the United States or sold services  
 25  
 26  
 27

28 <sup>5</sup> Subsequent to the Tsunoda Declaration, LegalOn moved its web site to legalontech.jp.  
 That web site, like the prior legal-force web sites, is aimed at Japanese consumers.

1 in the United States under the LEGALFORCE trademark, because it does not. *id.* ¶¶ 62-63. Nor did  
 2 Defendant indicate that it would expand its services to the United States using the LEGALFORCE  
 3 trademark. *id.* ¶ 64.

4 Unable to muster the required evidence to contradict Mr. Tsunoda's sworn declaration and  
 5 Messrs. Tsunoda's and Biard's deposition testimony, Plaintiff distorts the record. For instance,  
 6 Plaintiff claims that Mr. Tsunoda "admitted during deposition" that he made a trip to San Fransico to  
 7 meet with "actual and potential customers" and for "recruiting full time hires," SAC ¶ 75-1, and  
 8 "testified" at deposition to having traveled to the United States "frequently," *id.* ¶ 75-9. Further,  
 9 Plaintiff alleges that Mr. Tsunoda "admitted" that he traveled to the United States "numerous times  
 10 for soliciting business, employees, and/or for seeking buyers of shares in his company." SAC ¶ 75-  
 11 10. Not so. Plaintiff never asked Mr. Tsunoda about U.S. travel, let alone about whether he solicited  
 12 business or investors in the United States. Makman Decl. ¶ 9.<sup>6</sup>

13  
 14  
 15 As to employees, Tsunoda testified that they were retained through a recruiter in Japan,  
 16 Makman Decl. Ex. 1, Tsunoda Dep. Tr. 45:8-23, and he said nothing and was not asked about whether  
 17 he solicited employees during any trips to the United States, Makman Decl. ¶ 9. Moreover, the  
 18 testimony is not that Messrs. Tsunoda and Biard were soliciting business in the United States, but that  
 19 they were "looking for advice and insight on their thoughts as to the relevance of Defendant's product  
 20 for the United States" – *i.e.*, that they were doing market research. Makman Decl. Ex. 2, Biard Dep.  
 21 Tr. at 64:24-65:3. In any event, nothing in the SAC indicates that Defendant has ever used  
 22  
 23  
 24

25 <sup>6</sup>This is just a sampling of Plaintiff falsely pleading that Mr. Tsunoda made admissions that  
 26 are nowhere in the deposition transcript. Makman Decl. ¶ 11 (citing SAC ¶ 17 (Plaintiff falsely  
 27 alleging that "pitch decks, presentations and promotional items all advertised shares for sale with the  
 28 design mark in the infringing '079 Application within interstate commerce in the United States"), *id.*  
 ¶ 18 (Plaintiff falsely claiming that Mr. Tsunoda "admitted" having "advertised infringing LegalForce  
 marks to solicit investors"), *id.* ¶ 27 (Plaintiff falsely stating that Defendant "used the LegalForce  
 marks to American investors"))).

LEGALFORCE on services that were sold, advertised, or used in connection with services rendered by Defendant in commerce in the United States.<sup>7</sup>

Defendant is not engaged in commerce in the United States, and the SAC is misleading when Plaintiff conflates Defendant, LegalOn Japan, with its subsidiary,<sup>8</sup> LegalOn US—the company that is engaged in commerce in the United States. Plaintiff does this, for example, when referring to the November 2022 Press Release in ¶ 19 of the SAC. That paragraph relates to the names of the products sold in Japan, which has not changed. Contrary to ¶ 19 of the SAC, the products and services available in the United States are provided by Defendant’s subsidiary, LegalOn US. LegalForce and LegalForce Cabinet are not used in the United States. For another example, Plaintiff is claiming general jurisdiction, SAC at ¶ 48, because Defendant is allegedly “physically present” in California. But LegalOn US, the company that is present here, is not a Defendant in this action. For another example, Turo.com and Hans Kim are referred to in SAC ¶ 12. Those names, however, come from a blog posted by LegalOn US and are not properly attributed to the Defendant Japanese entity. *See* Makman Decl. ¶ 7. Indeed, Plaintiff has no evidence that these customers transacted with Defendant and no reasonable basis for believing that they might have.

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<sup>7</sup>Plaintiff’s misrepresentations violate Local Rules 11-4(a)(1) and (4), which require any attorney permitted to practice in the U.S. District Court for the Northern District of California to “[b]e familiar and comply with the standards of professional conduct required of members of the State Bar of California” and “[p]ractice with the honesty, care, and decorum required for the fair and efficient administration of justice[.]” Civ. L.R. 11-4(a)(1), (4). Moreover, Plaintiff violated California Rule of Professional Conduct 3.3(a)(1), which states “[a] lawyer shall not: (1) knowingly make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the lawyer.” Cal. R. Prof. Conduct 3.3(a)(1). The Court has the discretionary authority to sanction or instruct Plaintiff’s Counsel, Raj V. Abhyanker, that he must not knowingly misrepresent facts to the Court because doing so is “tantamount to bad faith.” *See Fink v. Gomez*, 239 F.3d 989 (9th Cir. 2001); *accord Evon v. L. Offs. of Sidney Mickell*, 688 F.3d 1015 (9th Cir. 2012) (“The language in *Fink* makes clear that a district court has the inherent power to sanction for: (1) willful violation of a court order; or (2) bad faith.”).

<sup>8</sup>LegalOn US is not a party to this case. Rather, it is the defendant in the related action *Legalforce RAPC Worldwide, PC v. LegalOn Technologies, Inc.*, Case No. 3:22-cv-07627-TLT (N.D. Cal.). As such, the actions of LegalOn US should not be part of the SAC in this action.

1 **IV. ARGUMENT**

2 **A. The Court Should Dismiss the Action**

3 This Court's Order dismissing the FAC gave Plaintiff a clear road map to follow in amending  
4 the complaint. It states the appropriate legal standards that Plaintiff was required to meet in the  
5 pleading. Despite this clarity, Plaintiff has failed to present ripe or plausible claims in the SAC.  
6 Therefore, dismissal with prejudice is appropriate.

7 **1. The Standard on a Motion to Dismiss**

8 The Court dismissed the case as unripe and, in doing so, summarized the legal standards for  
9 motions to dismiss pursuant to Rules 12(b)(1), (b)(2) and (b)(6) of the Federal Rules of Civil  
10 Procedure. ECF No. 92 at 2-4. Defendant respectfully submits that, based on this previously cited  
11 case law, dismissal with prejudice is appropriate here under all three sections of Rule 12.

12 As to Rule 12(b)(1), Defendant has submitted the declaration denying that it has ever rendered  
13 services in the United States using the mark "LEGALFORCE." Makman Decl. Ex. 3, Tsunoda Decl.  
14 This declaration constitutes a "factual challenge" to the SAC. And, when there is a factual challenge,  
15 the Court "may review evidence beyond the complaint without converting the motion to dismiss into  
16 a motion for summary judgment." *See Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 1039 (9th Cir.  
17 2004). Moreover, the court "need not presume the truthfulness of the plaintiff's allegations." *id.*; *see*  
18 *also* ECF No. 92 at 2.

19 As to Rule 12(b)(2), this Court ruled that it "must dismiss an action where it does not have  
20 personal jurisdiction over a defendant." Fed. R. Civ. P. 12(b)(2). The Court also clarified that Plaintiff  
21 had the burden of showing personal jurisdiction and noted that it would not "assume the truth of  
22 allegations in a pleading which are contradicted by affidavit," but would "resolve factual disputes in  
23 the plaintiff's favor." *Mavrix Photo, Inc. v. Brand Techs., Inc.*, 647 F.3d 1218, 1223 (9th Cir. 2011).  
24 ECF No. 92 at 3. There are no new allegations in the SAC that warrant a finding of personal  
25 jurisdiction.

26 As to Rule 12(b)(6), this Court explained that a case can be dismissed under 12(b)(6) if it does  
27 not have at least a plausible chance of success. *See Levitt v. Yelp! Inc.*, 765 F.3d 1123, 1135 (9th Cir.  
28 2014 (citing *Ashcroft v. Iqbal*, 556 U.S. 662 (2009) and *Bell Atlantic Corporation v. Twombly*, 550



U.S. 544 (2007)). For Rule 12(b)(6) analysis, the court “accept[s] factual allegations in the complaint as true and construe[s] the pleadings in the light most favorable to the nonmoving party.” *Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). “The plausibility standard is not akin to a ‘probability requirement,’ but it asks for more than a sheer possibility that a defendant has acted unlawfully.” *Iqbal*, 556 U.S. at 678 (quoting *Twombly*, 550 U.S. at 556). “Although for the purposes of a motion to dismiss [the Court] must take all of the factual allegations in the complaint as true,” the Court is “not bound to accept as true a legal conclusion couched as a factual allegation.” *Id.* at 678. ECF No. 92 at 3-4.

## 2. Plaintiff’s Allegations Should Be Dismissed as Speculative and Unripe

This case is in a unique procedural position. Defendant made a factual challenge to the original complaint, as it was entitled to do under the *Safe Air for Everyone* case. Plaintiff has since taken discovery and amended his complaint twice. The cost of defending has been shockingly high. Yet despite imposing massive costs on Defendant, all new allegations are made “on information and belief.” The law does not permit Plaintiff to rely on speculation to carry his burden of proof in the face of the factual challenge here.

Indeed, when this Court dismissed the FAC under Rule 12(b)(1), it explained that Plaintiff’s claims were speculative and, therefore, not ripe. ECF No. 92 at 4-5 (citing *Thomas v. Anchorage Equal Rts. Comm’n*, 220 F.3d 1134, 1139 (9th Cir. 2000) and *Name.Space, Inc. v. Internet Corp. for Assigned Names & Numbers*, 795 F.3d 1124, 1132 (9th Cir. 2015)). Despite the opportunity for discovery, the SAC is even more speculative and misleading than the FAC and, therefore, does not correct the flaws of the FAC and should be dismissed with prejudice.

The Court also told Plaintiff that it was necessary to plead an actual infringement of the trademark, including a “use in commerce” as defined in 15 U.S.C. § 1127 of the Lanham Act. The Court further set forth the meaning of “use in commerce,” ordering that:

**Plaintiff must show** that Defendant used Plaintiff’s trademarks “in connection with a sale of goods or services.” *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005). A mark is used in commerce “on services when it is used or displayed in the sale or advertising of services **and the services are rendered in commerce.**” 15 U.S.C. § 1127.



ECF No. 92 at 4 (emphasis added); *see also Iglesia Ni Cristo v. Cayabyab*, Case No. 18-CV-00561, 2019 WL 3997474, at \*8 (N.D. Cal. Aug. 23, 2019) (“[P]laintiff must show that the defendant either used the trademark in interstate commerce – that is, caused goods or service interstate commerce – or that the defendant used the trademark in interstate commerce in a manner that affects interstate commerce.”) (citing *Thompson Tank & Mfg. Co. v. Thompson*, 693 F.2d 991 (9th Cir. 1982)); *Name.Space*, 795 F.3d at 1132 (indicating that claims are not ripe unless they can be decided “without considering contingent future events that may or may not occur as anticipated, or indeed may not occur at all.”).

There is nothing ambiguous about the Court’s order. Even though Plaintiff was clearly told what he needed to do to fix his allegations, the SAC does not properly allege “use in commerce” within the meaning of the Lanham Act. As such, this Court should dismiss with prejudice.

**a. Plaintiff Proffers No Evidence of “Use in Commerce” in the United States**

In the SAC, Plaintiff falsely alleges that:

Defendant has advertised counterfeit LegalForce products and services in the United States to sell its software products to 3000 customers since July 1, 2020, many of which are American corporations and law firms including car sharing company Turo.com and lawyer Hans Kim in this district. Defendant offered for sale within interstate commerce in the United States software products called “LegalForce” and “LegalForce Cabinet” starting around July 1, 2020 which it advertised and sold to American customers in California and New York and continuing onward until at least December 1, 2022.

*Id.* ¶ 12.

To the extent that this paragraph alleges the sale of the “LegalForce” and “LegalForce Cabinet” products in the United States, it is contrary to the Tsunoda Declaration, *see id.* ¶¶ 20-21, and Plaintiff has no evidence to support it. In fact, during a meet and confer between the Parties, when Defendant’s counsel asked Plaintiff’s counsel to provide factual support for ¶ 12, Plaintiff’s counsel stated that his allegations were based on LegalOn US’s website.<sup>9</sup> Makman Decl. ¶¶ 12-13. However, the word

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<sup>9</sup>The LegalOn US website is at [www.legalontechnologies.com](http://www.legalontechnologies.com) (last accessed on May 15, 2023).

LEGALFORCE does not appear on that website and, thus, provides no basis for Plaintiff to claim that Defendant has “advertised counterfeit LegalForce products and services in the United States to sell its products to 3000 customers.” *id.* at ¶ 14. Defendant denies any such advertising, and, when asked about it, Plaintiff could point to no such advertisement. *id.* But, even if that were true, Plaintiff has not been damaged and has made only conclusory claims of harm that are not plausible, see SAC at 45 (claiming, among other things, harm due to an abandoned trademark application).

When confronted about the falsity of ¶ 12 of the SAC, Plaintiff’s counsel was also quick to state that this paragraph, in fact the entire pleading, is made “on information and belief”, *see* SAC ¶ 2:4; *see also* Makman Decl. ¶¶ 12-13. There is, however, nothing in *Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 1039 (9th Cir. 2004) or Rule 12(b)(1) to suggest that a factual challenge to a complaint on a motion to dismiss can be overcome by pleading inferences “on information and belief” when such pleading directly contradicts an unambiguous declaration.<sup>10</sup> To the contrary, where a defendant provides evidence that a fact is false, the plaintiff must present evidence in support of the disputed fact. *Savage v. Glendale Union High Sch.*, 343 F.3d 1036, 1039 n.2 (9th Cir. 2003), *cert denied*, 541 U.S. 1009 (2004) (“Once the moving party has converted the motion to dismiss into a factual motion by presenting affidavits or other evidence properly brought before the court, the party opposing the motion must furnish affidavits or other evidence necessary to satisfy its burden of establishing subject matter jurisdiction.”).

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<sup>10</sup>Footnote 1 of ¶ 12 does not save Plaintiff’s allegation. There, he argues that because the LegalForce product can review “American” contracts, it has been used in commerce in the United States. In addition, despite the evidence that Defendant only uses the LEGALFORCE mark in Japan where Defendant has registered that mark and where Plaintiff has no trade or service mark rights, Plaintiff argues that his infringement claims are ripe because Defendant has not changed the name of its product offering in Japan. These arguments are not plausible. Nor should Plaintiff’s extensive use of argumentative footnotes in the SAC be considered because such footnotes are not permissible under Rule 10(b). *See Out West Rest. Grp. Inc. v. Affiliated FM Ins. Co.*, 527 F. Supp. 3d 1142, 1145 (9th Cir. 2021) (affirming grant of judgment on the pleadings against plaintiff who made “excessive use of footnotes” in violation of Rule 10(b)). Moreover, this additional verbiage simply makes the SAC more difficult to understand and, being argumentative, is not sufficient to meet the requirements of Rule 8. The Ninth Circuit has held that dismissing a complaint that, like this one, is “argumentative, prolix, replete with redundancy, and largely irrelevant,” is appropriate. *Cafasso, U.S. ex rel. v. Gen. Dynamics C4 Sys., Inc.*, 637 F.3d 1047, 1058 (9th Cir. 2011).

To repeat: Plaintiff does not have evidence to show the required “use in commerce” in the United States and is relying on the statement in the preamble that the entire SAC is pled “on information and belief” (along with the arguments presented in his footnote) to insulate himself from Rule 11 liability for the speculative and false allegations.

**b. Plaintiff Fails to Establish That the Claims Are Ripe**

The U.S. Supreme Court has stated that Rule 8(a)(2) “requires a ‘showing,’ rather than a blanket assertion, of entitlement to relief,” and this necessitates “some factual allegation in the complaint....” *Twombly*, 550 U.S. 544, n.3. Moreover, when filing a complaint, counsel is required to certify that: “the factual contentions have evidentiary support or, if specifically so identified, will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11. While pleading “on information and belief” in a complaint’s preamble may be appropriate in some circumstances, it is not appropriate here. To the contrary, that method of pleading renders the SAC (e.g., ¶ 12), too speculative to establish a ripe claim for trademark infringement.

The Ninth Circuit has explained the relationship between the plausibility standard of *Twombly* and pleading “on information and belief” as follows:

The *Twombly* plausibility standard ... does not prevent a plaintiff from pleading facts alleged upon information and belief where the facts are peculiarly within the possession and control of the defendant or where the belief is based on factual information that makes the inference of culpability plausible.

*Soo Park v. Thompson*, 851 F.3d 910, 929 (9th Cir. 2017). In *Soo Park*, the Ninth Circuit also explained that a claim is “plausible” if the facts have two alternative explanations, one advanced by plaintiff, the other advanced by defendant. *Id.* at 918. Here, however, Plaintiff is claiming that consumers are likely to be confused by Defendant’s public advertisement. As such, the relevant facts are not “uniquely within the possession and control” of Defendant.

Further, Defendant provided a clear declaration that makes a factual challenge to the SAC. While Plaintiff has had extensive opportunity to take discovery, he is still unable to plead facts sufficient to show a ripe claim for infringement of its LEGALFORCE trademarks. Defendant has only ever sold the products called LegalForce or LegalForce Cabinet in Japan and has never sold either product in commerce in the United States. Makman Decl. Ex. 1, Tsunoda Decl. ¶¶ 21-22; *see also*

1 Makman Decl. Ex. 2, Biard Dep. Tr. 92:13-25 (testifying that the names LegalForce and LegalForce  
 2 Cabinet were never used in the United States). The allegation of sales to Turo.com and Hans Kim in  
 3 SAC ¶ 12 are presumably based on testimonials in a blog from Defendant’s subsidiary, LegalOn US,  
 4 which is not a party to this action. Makman Decl. ¶¶ 12-14. In fact, LegalOn’s CEO Daniel Lewis  
 5 stated in a sworn declaration, which was filed in Plaintiff’s infringement litigation against LegalOn  
 6 US, that LegalOn US does not use the LEGALFORCE trademark and does not plan to use it. Makman  
 7 Decl. Ex. 4, Declaration of Daniel Lewis ¶¶ 13-14.<sup>11</sup>

8 In addition, the SAC includes a litany of irrelevant facts from the FAC that, on their face, do  
 9 not establish a ripe claim here. Defendant respectfully submits that, just as the Court did, *inter alia*,  
 10 in its Order dismissing the FAC, this Court should find Plaintiff’s allegation that Defendant sold stock  
 11 using “pitch decks, presentations, and promotional items” that “advertised shares for sale,” SAC ¶17,  
 12 is insufficient, on its face, to establish a ripe cause of action for trademark infringement. In addition,  
 13 the Court should reject Plaintiff’s allegation that Defendant filed a trademark application (that is now  
 14 abandoned) that indicated an “intent to use” the LEGALFORCE mark in the United States, SAC ¶ 26,  
 15 75, as insufficient to establish a ripe cause of action for trademark infringement as pled in the SAC.  
 16 Neither the sale of stock nor the filing of an application to register a trademark constitutes the use or  
 17 display of any LEGALFORCE mark in the advertising of services, nor in the rendering of services in  
 18 commerce. As such, these allegations do not suffice to establish a ripe claim based on the standard  
 19 cited in the Order. ECF No. 92 at 4; *see also Iglesia Ni Cristo v. Cayabyab*, Case No. 18-CV-00561,  
 20 2019 WL 3997474, at \*9 (N.D. Cal. Aug. 23, 2019).

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 25 <sup>11</sup>A court may take judicial notice of facts not subject to reasonable dispute where the facts  
 26 “(1) [are] generally known within the trial court’s territorial jurisdiction; or (2) can be accurately and  
 27 readily determined from sources whose accuracy cannot reasonably be questioned.” Fed. R. Evid.  
 28 201(b); *see also Harris v. Cty. of Orange*, 682 F.3d 1126, 1132 (9th Cir. 2012) (noting that judicial  
 notice is appropriate for “undisputed matters of public record, including documents on file in federal  
 or state courts”) (internal citation omitted).

1                                   **3. Plaintiff's Claims of Infringement Based on Alleged Infringing Use**  
 2                                   **of the LegalOn Mark Fail as a Matter of Law**

3           Plaintiff now alleges that the LegalOn mark also infringes some or all its various LegalForce  
 4 marks under 15 U.S.C. § 1114. SAC ¶¶ 19-20, 61-64. This claim fails because Defendant is only  
 5 offering products and services in Japan, as demonstrated in the Tsunoda Declaration and in the  
 6 deposition testimony of record. To the extent that Plaintiff makes claims in this lawsuit based on  
 7 Defendant's use of the LEGALON mark by LegalOn-US, such claims should be addressed in the  
 8 related lawsuit if Plaintiff is successful in taking jurisdiction over Defendant through its subsidiary on  
 9 the baseless alter ego theory of liability that he has pled in that action.

10           Moreover, the allegation that the mark "LEGALON" infringes "LEGALFORCE" is not  
 11 plausible. The only similarity between the mark "LEGALON" and any of Plaintiff's registered marks  
 12 is the term "LEGAL." In that context, the presence of an additional word ("ON" in one mark and  
 13 "FORCE" in the other) make it easy to avoid confusion. In fact, where the only similarity between  
 14 marks is a generic term, courts have held that any confusion arising from the use of said generic term  
 15 is outside the scope of the Lanham Act. *See Basel Action Network v. Int'l Ass'n of Elecs. Recyclers*,  
 16 793 F. Supp. 2d 1200, 1205 (W.D. Wash. 2011) ("Where confusion arises solely from the use of a  
 17 'generic term, courts have found that confusion to be beyond the scope of the Lanham Act.");  
 18 *Pocketbook Int'l SA v. Sitetools, Inc.*, Case No. CV 20-8708-DMG (PDx), 2022 U.S. Dist. LEXIS  
 19 24540, at \*27 (C.D. Cal. Feb. 2, 2022) (granting defendant's motion for summary judgment on  
 20 plaintiff's trademark infringement claim because the evidence weighed against finding a likelihood of  
 21 confusion); *see also James R. Glidewell Dental Ceramics v. Keating Dental Arts, Inc.*, Case No. SACV  
 22 11-1309-DOC (ANx), 2013 U.S. Dist. LEXIS 24824, at \*19-20 (C.D. Cal. Feb. 21, 2013) (quoting  
 23 McCarthy On Trademarks "when the common element of two trademarks is a generic term, the  
 24 likelihood of confusion is reduced, as the public has come to expect that element on different  
 25 products.").

1                   **4. Plaintiff Fails to Establish That This Court Has Personal**  
 2                   **Jurisdiction Over Defendant—a Japanese Entity with No Forum**  
 3                   **Contacts**

4                   **a. There Is No General Jurisdiction**

5                   Plaintiff, as the party seeking to invoke the jurisdiction of the federal court, carries the burden of  
 6                   establishing that jurisdiction exists and cannot “simply rest on the bare allegations of its complaint.”  
 7                   *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 800 (9th Cir. 2004). “Where, as here, there is  
 8                   no applicable federal statute governing personal jurisdiction, the law of the state in which the district court  
 9                   sits applies.” *Harris Rutsky & Co. Ins. Servs. v. Bell & Clements Ltd.*, 328 F.3d 1122, 1129 (9th Cir. 2003).  
 10                  To determine the propriety of asserting personal jurisdiction over a defendant, the Court examines whether  
 11                  such jurisdiction is permitted by the applicable state’s long-arm statute and comports with the demands of  
 12                  federal due process. *Id.* (determining scope of California’s long-arm statute and examining federal due  
 13                  process requirements); *see also Sher v. Johnson*, 911 F.2d 1357, 1361 (9th Cir. 1990); *Data Disc, Inc. v.*  
 14                  *Sys. Tech. Assocs., Inc.*, 557 F.2d 1280, 1286 (9th Cir. 1977).<sup>12</sup>

15                  As to general jurisdiction, under *Goodyear v. Dunlop Tires Operations, S.A. v. Brown*, 564  
 16                  U.S. 915, 927 (2011) and *Daimler AG v. Bauman, et al.*, 571 U.S. 117, 119 (2014), merely forming a  
 17                  subsidiary in the United States does not establish general jurisdiction over a foreign corporation.  
 18                  Rather, a defendant will be subject to general jurisdiction in a state only if its connections with the  
 19                  state are so continuous and systematic as to render the defendant “essentially at home” in the forum  
 20                  state.

21                  Plaintiff alleges that the Court has general jurisdiction over Defendant because Defendant is  
 22                  physically present in California, SAC ¶ 48. This is false. In moving to dismiss the FAC, Defendant  
 23                  presented testimony by Declaration that it “is a Japanese corporation,” organized under the laws of Japan,  
 24                  headquartered and “having a principal place of business” in Tokyo, Japan. *See Makman Decl. Ex. 3*,  
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26                  <sup>12</sup> California’s long-arm statute, Cal. Civ. Proc. Code § 410.10, is coextensive with federal due  
 27                  process requirements, and therefore the jurisdictional analyses under state law and federal due process are  
 28                  the same. *See Mavrix Photo, Inc. v. Brand Techs., Inc.*, 647 F.3d 1218, 1223 (9th Cir. 2011). And although  
 Plaintiff did not plead nationwide jurisdiction under Rule 4(k)(2), the Rule 4(k)(2) analysis collapses into  
 due process and is therefore addressed with Plaintiff’s other jurisdictional claims.

1 Tsunoda Decl. at ¶ 9. Defendant’s only physical presence is at its business address in Tokyo, Japan. *id.* ¶¶  
 2 11-13. Defendant is not incorporated anywhere in the United States, is not qualified to do business in  
 3 California or the United States and does not maintain a registered service agent in California or the United  
 4 States. *id.* Defendant has no branch offices or comparable facilities in California or the United States and  
 5 has no telephone listing or mailing address in California or the United States. *id.* ¶ 12. Defendant has no  
 6 officers or directors residing or domiciled in California or the United States. *id.* ¶ 16. Defendant hires no  
 7 employees in the United States or California. *id.* ¶ 17. Defendant has no bank accounts or other tangible  
 8 personal or real property in California or the United States. *id.* ¶ 18. In short, Defendant has no physical  
 9 presence in California or the United States. *id.* ¶ 19. The “jurisdictional discovery” that led to the SAC  
 10 does not refute this and the SAC that incorporates that discovery does not make any allegation that could  
 11 overcome the Declaration.

12 **b. There Is No Specific Jurisdiction**

13 Specific jurisdiction is only proper when a suit “aris[es] out of or relate[s] to the defendant’s  
 14 contacts with the forum.” *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414 n.8  
 15 (1984). Whether a court has specific jurisdiction over a nonresident defendant “focuses on the relationship  
 16 among the defendant, the forum, and the litigation.” *Walden v. Fiore*, 571 U.S. 277, 285 (2014) (internal  
 17 quotations omitted).

18 The Ninth Circuit has adopted a three-prong test requiring the plaintiff to show that: (1) the  
 19 defendant purposefully directed its activities at residents of the forum or purposefully availed itself of the  
 20 privilege of doing business in the forum; (2) the plaintiff’s claim arises out of or relates to those activities;  
 21 and (3) the assertion of personal jurisdiction is reasonable and fair. *Schwarzenegger*, 374 F.3d at 802. The  
 22 plaintiff has the burden to plead allegations satisfying the first two prongs. *id.* Even if the plaintiff satisfies  
 23 that burden, jurisdiction must still be denied if the exercise of personal jurisdiction would not be reasonable  
 24 and fair. *id.* The test is conjunctive, and thus the Court may hold that no specific jurisdiction exists if  
 25 plaintiff fails to prove either of the first two prongs.

26 The unrefuted Tsunoda Declaration and deposition testimony establish that Defendant has  
 27 neither “purposefully directed its activities at residents of the forum”, nor “purposefully availed itself” of  
 28 the privilege of doing business in California. *See* Section III.B, *supra*. There are numerous other



allegations in the SAC, but none of them establishes specific jurisdiction because Defendant is using the term “LEGALFORCE” in Japan, not in the United States. To the extent that Plaintiff is asking this Court to take jurisdiction over Defendant’s actions in Japan, he would have to meet the requirements for extraterritorial jurisdiction discussed below.

## 5. Plaintiff Still Fails to State Plausible Claims<sup>13</sup>

### a. Plaintiff Fails to State a Claim as to Claims 1, 2, and 4 Because Defendant Does Not Use LEGALFORCE in U.S. Commerce

Even if the Court finds that Plaintiff’s claims are “ripe”, it should still dismiss this action pursuant to Rule 12(b)(6) because the claims are not plausible under the standards set forth in *Twombly* and *Iqbal*.

Like the FAC, Plaintiff has not plausibly pled (and cannot plausibly plead) that Defendant has made any infringing use of the LEGALFORCE mark in commerce in the United States. *See generally* Makman Decl. Ex. 3, Tsunoda Decl. ¶ 21 (“LegalForce has not used the LEGALFORCE mark in commerce in the United States. Nor has LegalForce taken any steps to imminently offer, sell, transport, distribute, market, or advertise any products or services bearing the LEGALFORCE mark in the United States.”). To the extent that Plaintiff is still trying to argue that Defendant’s use of the mark on its website is trademark infringement, that argument fails as a matter of law (just as it did in the prior round of briefing) because the mere operation of a website, without more, cannot amount to use in commerce in the United States and therefore cannot form the basis of trademark infringement or unfair competition claims. *See TIBCO Software Inc. v. GatherSmart LLC*, No. 20-cv-06422, 2021 WL 4477902, at \*3 (N.D. Cal. Mar. 5, 2021). Because Defendant is only using the LEGALFORCE mark in Japan, where it has the right to do so, *see* Makman Decl. Ex. 3, Tsunoda Decl. ¶ 47, Plaintiff’s claims can only be considered plausible if Plaintiff is allowed to rely on Defendant’s trademark use occurring wholly outside the United States.

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<sup>13</sup> The arguments in this Section 5 were, for the most part, presented in the prior round of briefing but not addressed in the Order. They are included here in case the Court deems that the new pleading requires it to consider these issues.



1 The Lanham Act may, in limited circumstances, apply extraterritorially, if: “(1) the alleged  
 2 violations [] create some effect on American foreign commerce; (2) the effect [is] sufficiently great to  
 3 present a cognizable injury to the plaintiffs under the Lanham Act; and (3) the interests of and links to  
 4 American foreign commerce [are] sufficiently strong in relation to those of other nations to justify an  
 5 assertion of extraterritorial authority.” *Love v. Associated Newspapers, Ltd.*, 611 F.3d 601, 612-13  
 6 (9th Cir. 2010) (citing *Star-Kist Foods, Inc. v. P.J. Rhodes & Co.*, 769 F.2d 1393, 1395 (9th Cir.  
 7 1985)). However, successful extraterritorial application of the Lanham Act generally involves at least  
 8 some part of the defendant’s activities occurring within the United States. *See, e.g., Steele v. Bulova*  
 9 *Watch Co.*, 344 U.S. 280 (1952) (defendant purchased watch parts in the United States then assembled  
 10 and sold counterfeit watches in Mexico); *Trader Joe’s Co. v. Hallatt*, 835 F.3d 960 (9th Cir. 2016)  
 11 (defendant’s infringing acts in Canada were based on inventory acquired in the United States).

12 The *Love* case is instructive. There, the Ninth Circuit affirmed dismissal of Love’s Lanham  
 13 Act claims on the grounds that “the Lanham Act cannot be applied extraterritorially to encompass acts  
 14 committed in Great Britain.” *id.* at 612. The court held that “[t]he first two criteria” of the *Star-Kist*  
 15 *Foods* test “may be met even where all of the challenged transactions occurred abroad,” but only if  
 16 there is “monetary injury in the United States to an American plaintiff.” *id.* at 613 (internal citations  
 17 omitted). It was undisputed in *Love* that “all relevant acts occurred abroad” and that “for the Lanham  
 18 Act to apply, Love must have presented evidence that the complained of actions caused him monetary  
 19 injury in the United States.” *id.* The court found that Love’s fact declaration claiming confusion and  
 20 lost ticket sales resulting from several allegedly infringing activities was insufficient because “it is too  
 21 great of a stretch to ask us, or a jury, to believe that such confusion overseas resulted in the decreased  
 22 ticket sales in the United States.” *id.* The court concluded that “[b]ecause Love failed to present any  
 23 evidence that the alleged Lanham Act violations affected United States commerce in any way, we  
 24 affirm dismissal of all three claims on that ground.” *id.* The court did not reach the merits of the third  
 25 criteria.

26 Here, just as in the FAC, Plaintiff did not (and cannot) allege sufficient facts to establish that  
 27 extraterritorial application of the Lanham Act would be proper. In that regard, Plaintiff’s conclusory  
 28 and argumentative allegations of harm, found mostly in SAC ¶ 45, do not establish a “cognizable

injury” and, therefore, do not demonstrate any need for the Court to exercise extraterritorial jurisdiction. Under *Love*, for there to be extraterritorial application of the Lanham Act, Plaintiff needs to establish actual monetary injury occurring within the United States, which Plaintiff has not pled and cannot establish.

Moreover, even if the first and second criteria of the *Love* test could be met, Defendant fails to meet the third criterion. Defendant has a valid trademark registration for LEGALFORCE in Japan. Makman Decl. Ex. 3, Tsunoda Decl. ¶ 47 (identifying Defendant’s Japanese registration). On November 19, 2018, Plaintiff attempted, and failed, to oppose the registration in Japan. Instead, the Japanese Patent Office upheld Defendant’s Japanese trademark registration, notice was received on August 5, 2019. *id.* Indeed, where, as here, there are ongoing, parallel disputes, it is even less appropriate for a U.S. court to take jurisdiction over conduct that occurred overseas. *See, e.g., Star-Kist Foods, Inc.*, 769 F.2d at 1396 (holding extraterritoriality inappropriate when Philippine courts were handling ongoing dispute relating to trademark rights there); *Juicy Couture Inc. v. Bella Int’l Ltd.*, 930 F. Supp. 2d 489, 505 (S.D.N.Y. 1989) (finding extraterritorial injunction improper where there was parallel trademark litigation in Hong Kong).

**b. Plaintiff Fails to State a Claim as to Claim 3 (Cyberpiracy)**

As explained in the Motion to Dismiss the FAC, among other things, Defendant has no bad faith intent and, therefore, the cyberpiracy claim fails. The Anticybersquatting Consumer Protection Act (“ACPA”) requires a plaintiff plead that the defendant “(i) has a bad faith intent to profit from that mark . . . ; and (ii) registers, traffics in, or uses a domain name [that is confusingly similar to another’s mark or dilutes another’s famous mark].” *See Bosley Med. Inst.*, 403 F.3d at 680 (citing 15 U.S.C. § 1125(d)(1)(A)). “A finding of ‘bad faith’ is an essential prerequisite to finding an ACPA violation.” *Petroliaim Nasional Berhad v. GoDaddy.com, Inc.*, 897 F. Supp. 2d 856, 864 (N.D. Cal. 2012), *aff’d*, 737 F.3d 546 (9th Cir. 2013). “The ACPA provides a non-exhaustive list of nine factors that a court may consider in determining whether a defendant acted with bad faith intent to profit.” *Quatrewave LLC v. de Stefano*, No. CV2007237MWFPJWX, 2020 WL 10758648, at \*5 (C.D. Cal. Dec. 2, 2020).

Of relevance here are the “prior use of the domain name,” “intent to divert consumers,” and “offer to transfer or sell the domain name to the trademark owner for financial gain” prongs. Each

1 supports dismissal of Plaintiff's ACPA claim. *First*, Defendant uses the domain names to conduct  
 2 lawful business in Japan under Defendant's LEGALFORCE trademark—a mark that it owns in Japan.  
 3 Makman Decl. Ex. 3, Tsunoda Decl. ¶ 47; *see SunEarth, Inc. v. Sun Earth Solar Power Co.*, No. C  
 4 11-4991 CW, 2013 WL 4528539, at \*23 (N.D. Cal. Aug. 23, 2013), *amended in part*, No. C 11-4991  
 5 CW, 2013 WL 6157208 (N.D. Cal. Nov. 22, 2013), *aff'd*, 650 F. App'x 473 (9th Cir. 2016), *on reh'g*  
 6 *en banc*, 839 F.3d 1179 (9th Cir. 2016) (stating the prior use factor “recognizes that the legitimate use  
 7 of the domain name in commerce is a good indicator of a good faith intent” and finding good faith  
 8 prior use where “Defendants have used the websites for bona fide offerings of goods outside of the  
 9 United States”). *Second*, Plaintiff's conclusory allegation that Defendant registered its website “to  
 10 redirect” Plaintiff's potential market is insufficient to plead that Defendant intends to divert customers.  
 11 Defendant uses the domain names to conduct its Japanese business under a mark it owns in Japan.  
 12 Makman Decl. Ex. 3, Tsunoda Decl. ¶ 47. *Third*, Plaintiff does not (nor can it) allege that Defendant  
 13 sought to extort money from Plaintiff in exchange for the domain name, because Defendant never did.

14 As such, in the SAC, Plaintiff has again failed to allege sufficient facts to support its claim that  
 15 Defendant registered and used its domains in bad faith. SAC ¶¶ 85-100. Claim 3 must be dismissed  
 16 for failure to state a claim.

#### 17 **B. Leave to Amend Would Be Futile**

18 The Court has already stated that the SAC would be the last chance to amend. If Plaintiff  
 19 argues otherwise, however, the Court need not grant leave to amend where “it determines that the  
 20 pleading could not possibly be cured by the allegation of other facts.” *Lopez v. Smith*, 203 F.3d 1122,  
 21 1130 (9th Cir. 2000) (*en banc*) (internal quotation marks omitted). Leave to amend is generally denied  
 22 if allowing amendment would unduly prejudice the opposing party, cause undue delay, or be futile, or  
 23 if the moving party has acted in bad faith. *Leadsinger, Inc. v. BMG Music Publ'g*, 512 F.3d 522, 532  
 24 (9th Cir. 2008). The Court may deny leave to amend for Plaintiff's “repeated failure to cure  
 25 deficiencies by amendments previously allowed.” *See Ryan v. Microsoft Corp.*, 147 F. Supp. 3d 868,  
 26 896-97 (N.D. Cal. 2015) (dismissing first amended complaint with prejudice where it “failed to cure  
 27 the timeliness deficiencies” previously identified and leave to amend would “unduly prejudice  
 28 [defendant] by requiring [defendant] to file repeated motions to dismiss on timeliness grounds.”).

Plaintiff cannot remedy the issues detailed above by providing a *fourth* version of its Complaint. Plaintiff has already tried and failed repeatedly because Defendant: (1) has never used its LEGALFORCE mark in commerce; (2) has not engaged in any activities that would signal that use is imminent; and (3) is not subject to personal jurisdiction in this Court. The facts that Plaintiff would need to plead to save the claims do not exist and leave to amend would therefore be futile. Moreover, it would be prejudicial to Defendant to allow Plaintiff a fourth chance to file a complaint. As such, all Counts should be dismissed with prejudice. *See Innospan Corp. v. Intuit, Inc.*, No. C 10-04422, 2011 WL 856265, at \*3 (N.D. Cal. Mar. 9, 2011) (“Leave to amend may be denied, however, if the proposed amendment is futile or would be subject to dismissal.” (citing *Saul v. United States*, 928 F.2d 829, 843 (9th Cir. 1991))).

## V. CONCLUSION

For the reasons stated above, Defendant respectfully requests that the Court vacate the portion of its Order that granted leave to amend and/or dismiss this entire lawsuit WITH PREJUDICE.

Dated: May 16, 2023

Respectfully submitted,

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